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Legislative Document

No. 1836

S.P. 620

In Senate, June 5, 2019

**An Act To Authorize a General Fund Bond Issue for Infrastructure,
Economic Development, Workforce Development and Energy and
Environment Investment**

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator BREEN of Cumberland. (GOVERNOR'S BILL)
Cosponsored by Representative GATTINE of Westbrook.

1 Provides funds for facilities or equipment related to ports, harbors, marine
2 transportation, aviation, freight and passenger railroads, transit and bicycle and
3 pedestrian trails that preserve public safety or otherwise have demonstrated high
4 transportation economic value including property acquisition.

5 Total \$20,000,000

6 **ENVIRONMENTAL PROTECTION,**
7 **DEPARTMENT OF**

8 Provides funds for a competitive grant program that matches local funding for the
9 upgrade of municipal culverts at stream crossings in order to improve fish and
10 wildlife habitats and increase community safety. Eligible project sponsors include
11 local governments, municipal conservation commissions, soil and water conservation
12 districts and private nonprofit organizations. A proposal for funding from an eligible
13 project sponsor must include a map and summary of the proposed project, describing
14 how it meets the following criteria:

15 1. Contribution to competitive grant program goals. The extent to which the
16 proposed project allows communities to more effectively prepare for storm and flood
17 events and advances the goals of restoring habitat for fish, including sea-run fish and
18 native brook trout; and

19 2. Cost-effectiveness. The extent to which the proposed project represents an
20 efficient and cost-effective investment, including the proportion of total project
21 funding that will be provided from other sources and the potential avoided costs
22 associated with the proposed project. Funds may not be used to cover all of the costs
23 associated with a proposed project.

24 Total \$4,000,000

25 **ECONOMIC AND COMMUNITY**
26 **DEVELOPMENT, DEPARTMENT OF**

27 Provides funds for the renovation of a wharf and bulkhead at the Gulf of Maine
28 Research Institute in Portland to bring the wharf back into operation for a fishing
29 vessel berthing resource to support marine research at sea, for commercial fishing
30 access and for continued long-term marine job development.

31 Total \$1,000,000

1 The bonds are a pledge of the full faith and credit of the State. The bonds may not run for
2 a period longer than 10 years from the date of the original issue of the bonds.

3 **Sec. B-2. Records of bonds issued; Treasurer of State.** The Treasurer of
4 State shall ensure that an account of each bond is kept showing the number of the bond,
5 the name of the successful bidder to whom sold, the amount received for the bond, the
6 date of sale and the date when payable.

7 **Sec. B-3. Sale; how negotiated; proceeds appropriated.** The Treasurer of
8 State may negotiate the sale of the bonds by direction of the Governor, but no bond may
9 be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the
10 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State
11 upon warrants drawn by the State Controller, are appropriated solely for the purposes set
12 forth in this Part. Any unencumbered balances remaining at the completion of the project
13 in this Part lapse to the Office of the Treasurer of State to be used for the retirement of
14 general obligation bonds.

15 **Sec. B-4. Interest and debt retirement.** The Treasurer of State shall pay
16 interest due or accruing on any bonds issued under this Part and all sums coming due for
17 payment of bonds at maturity.

18 **Sec. B-5. Disbursement of bond proceeds.** The Department of Economic and
19 Community Development, in consultation with the Department of Marine Resources and
20 the Maine Technology Institute, shall oversee the disbursement of bond proceeds and
21 matching funds authorized pursuant to this Part in accordance with this section, except as
22 otherwise provided. Awards of bond proceeds and matching funds must be made on a
23 competitive basis following a request for proposal process.

24 1. Successful applicants may include the following entities:

25 A. A marine-based research program at a private or public university or a nonprofit
26 research institution;

27 B. Commercial fishing or aquaculture interests;

28 C. Community-based organizations committed to the growth of the local economy;
29 and

30 D. Private sector businesses.

31 2. A successful application must also demonstrate potential for job creation and
32 economic growth in one of the following areas:

33 A. Traditional agricultural or commercial fishing interests;

34 B. Marine-based or land-based aquaculture industry;

35 C. Value-added seafood processing of marine resources or agricultural products; and

36 D. Market development for Maine-based products.

1 **Sec. B-6. Allocations from General Fund bond issue.** The proceeds of the
2 sale of the bonds authorized under this Part must be expended as designated in the
3 following schedule.

4 **CONNECTME AUTHORITY**

5 Provides funds to the ConnectME Authority, as established in the Maine Revised
6 Statutes, Title 5, section 12004-G, subsection 33-F, for the provision of broadband
7 Internet service in unserved and underserved areas.

8 Total \$30,000,000

9 **ECONOMIC AND COMMUNITY**
10 **DEVELOPMENT, DEPARTMENT OF**

11 **Office of Innovation**

13 Provides funds over 5 years to the Maine Technology Institute for research and
14 development and commercialization as prioritized by the Maine Innovation Economy
15 Advisory Board's most recent innovation economy action plan and the Office of
16 Innovation's most recent science and technology action plan. The funds must be
17 allocated in support of technological innovation leading to commercialization in the
18 targeted sectors of life sciences and biomedical technology, environmental and
19 renewable energy technology, information technology, composites and advanced
20 materials and precision manufacturing. The funds must be awarded through a
21 competitive process and to Maine-based public and private institutions to leverage
22 matching private and federal funds on at least a one-to-one basis.

23 Total \$15,000,000

24 **MAINE TECHNOLOGY INSTITUTE**

25 Provides funds for a competitive grant program that matches nonstate funding for
26 infrastructure, equipment and technology upgrades that enable businesses and
27 organizations to gain and hold market share and expand employment or preserve jobs
28 in the State's marine resource and agricultural sectors. Eligible project applicants
29 include individuals, municipalities, private for-profit entities and public and private
30 nonprofit organizations.

31 Total \$5,000,000

1 "Do you favor a \$19,000,000 bond issue to invest in Maine Community
2 College training, in child care services, in Maine Army National Guard
3 readiness centers and support facilities and in career and technical
4 education centers?"

5 The legal voters of each city, town and plantation shall vote by ballot on this question
6 and designate their choice by a cross or check mark placed within a corresponding square
7 below the word "Yes" or "No." The ballots must be received, sorted, counted and
8 declared in open ward, town and plantation meetings and returns made to the Secretary of
9 State in the same manner as votes for members of the Legislature. The Governor shall
10 review the returns. If a majority of the legal votes are cast in favor of this Part, the
11 Governor shall proclaim the result without delay and this Part becomes effective 30 days
12 after the date of the proclamation.

13 The Secretary of State shall prepare and furnish to each city, town and plantation all
14 ballots, returns and copies of this Part necessary to carry out the purposes of this
15 referendum.

16 PART D

17 **Sec. D-1. Authorization of bonds.** The Treasurer of State is authorized, under
18 the direction of the Governor, to issue bonds in the name and on behalf of the State in an
19 amount not exceeding \$65,000,000 for the purposes described in section 6 of this Part.
20 The bonds are a pledge of the full faith and credit of the State. The bonds may not run for
21 a period longer than 10 years from the date of the original issue of the bonds.

22 **Sec. D-2. Records of bonds issued; Treasurer of State.** The Treasurer of
23 State shall ensure that an account of each bond is kept showing the number of the bond,
24 the name of the successful bidder to whom sold, the amount received for the bond, the
25 date of sale and the date when payable.

26 **Sec. D-3. Sale; how negotiated; proceeds appropriated.** The Treasurer of
27 State may negotiate the sale of the bonds by direction of the Governor, but no bond may
28 be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the
29 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State
30 upon warrants drawn by the State Controller, are appropriated solely for the purposes set
31 forth in this Part. Any unencumbered balances remaining at the completion of the project
32 in this Part lapse to the Office of the Treasurer of State to be used for the retirement of
33 general obligation bonds.

34 **Sec. D-4. Interest and debt retirement.** The Treasurer of State shall pay
35 interest due or accruing on any bonds issued under this Part and all sums coming due for
36 payment of bonds at maturity.

37 **Sec. D-5. Disbursement of bond proceeds.** The proceeds of the bonds must be
38 expended as set out in this Part under the direction and supervision of the Department of
39 Agriculture, Conservation and Forestry, the Department of Environmental Protection and
40 the Efficiency Maine Trust.

1 1. The proceeds of the bonds for the Land for Maine's Future Board as set out in
2 section 6 must be expended by the Department of Agriculture, Conservation and Forestry
3 for acquisition of land and interest in land for conservation, water access, outdoor
4 recreation, wildlife or fish habitat, farmland preservation in accordance with the
5 provisions for such acquisitions under the Maine Revised Statutes, Title 5, chapter 353
6 and working waterfront preservation in accordance with the terms of Public Law 2005,
7 chapter 462, Part B, section 6, including all costs associated with such acquisitions,
8 except that use of the proceeds of these bonds is subject to the following conditions and
9 requirements.

10 A. Hunting, fishing, trapping and public access may not be prohibited on land
11 acquired with bond proceeds, except to the extent of applicable state, local or federal
12 laws, rules and regulations and except for working waterfront projects and farmland
13 protection projects.

14 B. Payment from bond proceeds for acquisitions of local or regional significance, as
15 determined by the Land for Maine's Future Board, may be made directly to
16 cooperating entities as defined in Title 5, section 6201, subsection 2 for acquisition of
17 land and interest in land by cooperating entities, subject to terms and conditions
18 enforceable by the State to ensure its use for the purposes of this Part. In addition to
19 the considerations required under Title 5, chapter 353, the board shall give a
20 preference to acquisitions under this paragraph that achieve benefits for multiple
21 towns and that address regional conservation needs including public recreational
22 access, wildlife, open space and farmland.

23 C. The bond funds expended for conservation, recreation, working waterfronts,
24 farmland and water access must be matched with at least \$30,000,000 in public and
25 private contributions. Seventy percent of that amount must be in the form of cash or
26 other tangible assets, including the value of land and real property interest acquired
27 by or contributed to cooperating entities, as defined in Title 5, section 6201,
28 subsection 2, when property interests have a direct relationship to the property
29 proposed for protection, as determined by the Land for Maine's Future Board. The
30 remaining 30% may be matching contributions and may include the value of project-
31 related, in-kind contributions of goods and services to and by cooperating entities.

32 D. Because portions of the State have deer populations that are struggling and deer
33 wintering habitat protection is vital to the survival and enhancement of these
34 populations, projects that conserve and protect deer wintering areas are considered to
35 have special value and must receive preferential consideration during scoring of new
36 applications for support under Title 5, chapter 353.

37 E. To the extent the purposes are consistent with the disbursement provisions in this
38 Part, 100% of the bond proceeds may be considered as state match for any federal
39 funding to be made available to the State.

40 2. The Department of Agriculture, Conservation and Forestry and the Department of
41 Inland Fisheries and Wildlife shall take a proactive approach to pursuing land
42 conservation projects that include conservation of priority deer wintering areas. Priority
43 deer wintering areas are of at least 500 acres or contiguous with existing conservation
44 land so that the combined acreage constitutes at least 500 acres, have been historically

1 used by deer at some point since 1950 and are capable of providing shelter for deer on the
2 effective date of this Part or within 20 years. The Department of Inland Fisheries and
3 Wildlife shall include in conservation negotiations under this section provisions for the
4 appropriate management of priority deer wintering areas. Land and interest in land
5 purchased by the State that contains priority deer wintering areas must be managed using
6 protocol provided by the Department of Inland Fisheries and Wildlife.

7 3. Of the bond proceeds allocated to the Land for Maine's Future Board, at least 5%
8 must be made available to acquire public access to water in accordance with Title 5,
9 section 6203-A.

10 4. Of the bond proceeds allocated to the Land for Maine's Future Board, at least 10%
11 must be made available to protect farmland in accordance with Title 5, section 6207.

12 5. Of the bond proceeds allocated to the Land for Maine's Future Board, at least 10%
13 must be made available to protect working waterfront properties in accordance with
14 Public Law 2005, chapter 462, Part B, section 6.

15 6. The Efficiency Maine Trust shall use funds provided pursuant to the General Fund
16 bond issue authorized under this Part to make grants to municipalities, or municipally
17 authorized citizen committees acting on a municipality's behalf, and school administrative
18 units to support investment in energy efficiency and renewable energy infrastructure
19 through the Municipal Energy Efficiency and Renewable Energy Program established
20 under the Maine Revised Statutes, Title 35-A, section 10124.

21 **Sec. D-6. Allocations from General Fund bond issue.** The proceeds of the
22 sale of the bonds authorized under this Part must be expended as designated in the
23 following schedule.

24 **AGRICULTURE, CONSERVATION**
25 **AND FORESTRY, DEPARTMENT OF**

26 **Land for Maine's Future Board**

27 Provides funds in order to leverage \$30,000,000 in matching contributions from
28 public and private sources to be used for the acquisition of land and interest in land
29 for conservation; water access; wildlife or fish habitat including deer wintering areas;
30 outdoor recreation, including hunting and fishing; and working farmland preservation
31 and working waterfront preservation. No more than \$10,000,000 may be issued in the
32 first year by the Land for Maine's Future Board and no more than \$10,000,000 may
33 be issued by the Land for Maine's Future Board in each of the 2 subsequent years,
34 except that any unused balance may be added to the specified amount in subsequent
35 years.

36 Total \$30,000,000

1 creating local jobs related to the building of renewable energy facilities and the
2 installation of energy-efficient equipment.

3 **2. Eligibility.** Municipalities and municipally authorized citizen committees acting
4 on behalf of a municipality and school administrative units are eligible to participate in
5 the program.

6 **3. Technical assistance.** The trust shall provide participants in the program
7 described under subsection 2 with technical assistance, in coordination with other state
8 agencies, to support the activities of the program. Technical assistance under this
9 subsection must include, but is not limited to, provision of a model as-of-right solar
10 zoning ordinance and support in developing energy efficiency plans.

11 **4. Awards.** The trust may award nonrefundable grants to participants in the program
12 described under subsection 2 to support the installation of a municipally owned or school
13 administrative unit-owned solar array, high-efficiency ductless heat pump system, high-
14 efficiency modern wood heating system or a combination of these arrays and systems.
15 The trust shall issue a periodic request for proposals seeking project applications when
16 funding is available. The trust shall prioritize proportionate geographic distribution of
17 funds and equitable distribution of funds considering factors such as municipal
18 population size. The trust may also consider whether an applicant has taken steps to
19 improve energy efficiency as demonstrated by factors including, but not limited to,
20 adoption of a solar zoning ordinance or completion of an energy efficiency audit.

21 **5. Funding.** The program may receive funding from:

22 A. Proceeds of bonds issued for the purposes of this section; and

23 B. Any other funds allocated by the trust for the purposes of this section.

24 Municipalities participating in the program must match state grant funding at a ratio
25 determined by the trust, taking into consideration proportionate geographic distribution of
26 funds and equitable distribution of funds. Matching funds may come from any
27 municipally authorized source, including federal programs and nonprofit organizations.

28 **Sec. E-2. Contingent effective date.** This Part takes effect only if the General
29 Fund bond issue proposed in Part D, section 10 is approved by the voters of this State.

30 SUMMARY

31 PART A

32 Part A provides a bond issue in the amount of \$105,000,000.

33 Funds in the amount of \$100,000,000 will be used for reconstruction and
34 rehabilitation of highways and bridges and for facilities or equipment related to ports,
35 harbors, marine transportation, freight and passenger railroads, aviation, transit and
36 bicycle and pedestrian trails, matching an estimated \$137,000,000 per year in federal and
37 other funds.

1 Funds in the amount of \$4,000,000 will be used for a competitive grant program that
2 matches local funding for the upgrade of municipal culverts at stream crossings in order
3 to improve fish and wildlife habitats and to allow communities to better prepare for
4 extreme storms and floods.

5 Funds in the amount of \$1,000,000 will be used to complete the renovation of a wharf
6 and bulkhead at the Gulf of Maine Research Institute in Portland to bring the wharf back
7 into operation for a fishing vessel berthing resource to support marine research at sea, for
8 commercial fishing access and for continued long-term marine job development.

9 **PART B**

10 The funds provided by this bond issue, in the amount of \$50,000,000, will be used to
11 invest in community broadband infrastructure, economic development and job creation.

12 **PART C**

13 The funds provided by this bond issue, in the amount of \$19,000,000, will be used to
14 invest in Maine Community College training, in child care services, in Maine Army
15 National Guard readiness centers and support facilities and in career and technical
16 education centers.

17 **PART D**

18 The funds provided by this bond issue, in the amount of \$65,000,000, will be used to
19 protect Maine's environment by investing in land conservation, water access, wildlife
20 habitat, outdoor recreation opportunities, including hunting and fishing, farmland and
21 working waterfronts and by supporting environmental clean-up efforts and promotion of
22 renewable energy projects.

23 Funds provided in this Part for the Efficiency Maine Trust, in the amount of
24 \$15,000,000, will be used to purchase solar arrays, high-efficiency ductless heat pumps
25 and high-efficiency modern wood heating systems for buildings and property owned by
26 municipalities and school administrative units and will fund the Municipal Energy
27 Efficiency and Renewable Energy Program under Part E.

28 **PART E**

29 Part E establishes the Municipal Energy Efficiency and Renewable Energy Program
30 within the Efficiency Maine Trust to support municipalities and municipally authorized
31 citizen committees and school administrative units across the State in reducing energy
32 costs, reducing carbon emissions, facilitating the development of renewable energy
33 resources and creating local jobs related to the building of renewable energy facilities and
34 the installation of energy-efficient equipment. It funds the program with the proceeds of
35 bonds, including bonds issued pursuant to Part D, any other funds allocated by the trust
36 and matching funds from participating municipalities.

37 Part E takes effect only if the bond issue under Part D is approved by the voters of the
38 State.